



Department
for Environment
Food & Rural Affairs

Post Implementation Review of the Tuberculosis (non-bovine animals) Slaughter and Compensation (England) Order 2017

Report of Post Implementation Review (PIR) by
Defra's Bovine TB Programme (TBP)

Date: 20 March 2024

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Introduction

The Tuberculosis (Non-bovine animals) Slaughter and Compensation (England) Order 2017 ('the 2017 Order') applies the power in section 32 of the Animal Health Act 1981 for the Secretary of State to slaughter any animal affected, or suspected of being affected, by *Mycobacterium bovis* ('TB'). It introduces specific rates of statutory compensation for pigs, sheep, goats, captive deer and camelids (alpacas, llamas, vicuna and guanaco) that are subject to compulsory slaughter for TB disease control purposes. It revoked The Tuberculosis (Deer and Camelid) Slaughter and Compensation (England) Order 2014.

Article 6 of the 2017 Order requires the Secretary of State to undertake a review of the regulatory provision contained in the Order and to set out the conclusions in a published report.

This report provides a summary of the Post Implementation Review (PIR) carried out by the Bovine TB Programme (TBP) acting on behalf of the Secretary of State, including an analysis of the evidence collected.

Objectives of the Order

The policy objective of the 2017 Order was to introduce both a more coherent and consistent approach (i.e. with other parts of GB and for the different non-bovine species) to providing compensation to owners of farmed non-bovine animals compulsorily slaughtered for bovine TB control purposes. In proposing changes to TB controls for non-bovine animals the aim was to strike a balance between robust disease control and supporting sustainable businesses.

Scope of the PIR

Article 6 of the 2017 Order requires the Secretary of State to carry out a review of the Order within five years of its entry into force. The conclusions of that review must be published in a report, detailing the objectives of the 2017 Order, the extent to which those objectives have been achieved, whether they remain appropriate and, if so, whether they could be achieved with less regulation. This document represents that report.

Analysis

This section covers the summary of the PIR of the 2017 Order. The PIR has been informed using evidence from engagement with internal and external stakeholders by TB Programme, specifically the Scottish and Welsh Government and the sector stakeholder organisations.

The PIR addressed the following overarching questions:

1. Has the 2017 Order successfully achieved its objectives?
2. Do the objectives of the 2017 Order remain appropriate?
3. Could the objectives of the 2017 Order be achieved with less regulation?

What the 2017 Order covers

Article 1 – Citation, commencement, application and expiry

This explains that the Order applies to England only and that the Order will cease to have effect on 2nd January 2025.

Article 2 – Interpretation

Article 2 explains that the “non-bovine animals” referred to in the Order are camelids, deer, goats, pigs and sheep. The article clarifies the meaning of “camelids” as any species of South American camelid (including llama, alpaca, vicuna and guanaco). Likewise, “deer” means any species that are managed by a keeper (including deer managed on enclosed park land).

The article also clarifies that there are a number of references throughout the Order to the Animal Health Act 1981 (as amended), The 2017 Order applies the power in section 32 of the Animal Health Act for the Secretary of State to slaughter any animal affected, or suspected of being affected, by *Mycobacterium bovis* ('TB').

Likewise, references in the Order to “tuberculosis” mean infection with *Mycobacterium bovis* (*M. bovis*).

Article 3 – Power to slaughter animals affected with tuberculosis

This article explains that section 32(2) of the Animal Health Act Act applies to tuberculosis.

Section 32 – entitled ‘slaughter in other diseases’ - is a general provision allowing Ministers to “cause to be slaughtered any animal which (a)is affected or suspected of being affected with any disease to which this section applies; or (b)has been exposed to the infection of any such disease. Section 32(2) permits Ministers to direct which disease the section should apply to.

Article 4 – Compensation payable for a slaughtered non-bovine animal

This article explains that where the Secretary of State causes a non-bovine animal to be slaughtered under section 32(1) of the Animal Health Act, the compensation payable under section 32(3) of the Act (which says “*The Minister shall pay for animals slaughtered under this section compensation of such amount as may be determined in accordance with scales prescribed by order of the Minister made with the Treasury’s approval*” - as in this case) in respect of that non-bovine animal is as set out in the Schedule to the 2017 Order.

Article 5 – Revocations

The 2017 Order revoked previous legislation covering statutory compensation for camelids and deer.

Article 6 – Review

This article sets out the terms of the Post Implementation Review, namely that the Secretary of State must from time to time carry out a review of the regulatory provision contained in the 2017 Order and publish a report setting out the conclusions of the review, the first one of which should have been published in January 2023 with any subsequent reports being published at intervals not exceeding 5 years. Production of the report has been delayed due to higher priority work.

The Small Business, Enterprise and Employment Act 2015 requires that a report must, in particular:

- (a) set out the objectives intended to be achieved by the regulatory provision;
- (b) assess the extent to which those objectives are achieved;
- (c) assess whether those objectives remain appropriate; and

(d) if those objectives remain appropriate, assess the extent to which they could be achieved in another way which involves less onerous regulatory provision.

Schedule

Schedule 1 (the only schedule in the Order) lists the statutory compensation payable. Higher rates are paid for breeding animals.

Have the policy objectives been successfully achieved?

The main objective of the 2017 Order was to introduce a more *consistent* (with other parts of GB and for the different non-bovine species) and *coherent* approach to providing compensation to owners of farmed non-bovine animals compulsorily slaughtered for bovine TB control purposes. In proposing changes to TB controls for non-bovine animals our aim was to strike a balance between robust disease control and supporting sustainable businesses.

The previous system of compensation was confusing and disparate system. We wanted to replace it with specific rates of compensation for all non-bovine species, including changes to the previous rates of compensation for deer and camelids. In addition to simplifying the compensation scheme these changes were intended to result in higher compensation for affected livestock keepers thereby providing a stronger incentive for owners to report suspicion of disease at an earlier stage thus reducing the risk of disease spread.

Following consultation with the industry, it was decided that compensation would be paid according to fixed table valuations graded by species and category of species. This is in line with the approach taken by the Scottish and Welsh Governments to non-bovine compensation. The new compensation categories raised the compensation farmers would receive for almost every category of animal.

As part of the post-implementation review process, we were required to invite stakeholders to submit any evidence on market price changes since the 2017 Order was introduced. We received only one response (from the British Llama Society). We did not believe that this single response alone justified changing the rates in the Order.

Moreover, other GB administrations have chosen not to change their compensation rates (which are identical to those in England). The rates in the 2017 Order are consistent with prices published in the John Nix pocketbook (which is widely used by valuers). The Department has not received complaints about the compensation rates. We believe the policy objectives have been fully achieved.

Do the policy objectives remain appropriate?

From Defra's perspective most of the policy objectives do remain appropriate. Whilst the objective of achieving a more coherent, consistent and equitable approach to the payment of TB compensation for farmed non-bovines animals may have been achieved, providing a strong incentive for owners to report suspicion of disease at an earlier stage in order to reduce the risk of disease spread remains a key driver, as is the desire to maintain a balance between robust disease control and supporting sustainable businesses remains.

Are there opportunities in imposing less regulation?

This question is something of a non-sequitur in this instance. The statutory compensation regime set out in the 2017 Order is designed to reduce the financial burden on a herd owner that a TB breakdown can bring whilst also being equitable for the taxpayer. As explained elsewhere in the report the new measures were partly about incentivising owners to report of TB.

Conclusion and next steps

Overall, the PIR shows that the legislation is still fit for purpose. Nevertheless, the compensation system will need to be kept under regular review. A new Order will be required to come into force on 2nd January 2025 when the 2017 Order ceases to have effect.

Post Implementation Review

<p>Title: The Tuberculosis (Non-bovine animals) Slaughter and Compensation (England) Order 2017</p> <p>PIR No: PIR-65022</p> <p>Original IA/RPC No: Defra2077/RPC-3670(1)-DEFRA</p> <p>Lead department or agency: Department for Environment Food and Rural Affairs</p> <p>Other departments or agencies: N/A</p> <p>Contact for enquiries: Paul Davenport paul.davenport@defra.gov.uk</p>	Post Implementation Review
	<p>Date: 20/03/2023</p>
	<p>Type of regulation: Secondary Legislation SI.</p>
	<p>Type of review: Statutory</p>
	<p>Date measure came into force: 02/01/2018</p>
	<p>Recommendation: Keep</p>
<p>RPC Opinion: N/A</p>	

1. What were the policy objectives of the measure? (Maximum 5 lines)

To introduce a more consistent (with other parts of GB and for the different non-bovine species) and coherent approach to providing compensation to owners of farmed non-bovine animals compulsorily slaughtered for bovine TB control purposes. In proposing changes to TB controls for non-bovine animals our aim was to strike a balance between robust disease control and supporting sustainable businesses.

Until the late-2000s reports of TB in non-bovine species were rare so compensation was paid based on independent valuation – which very quickly proved costly, particularly in respect of alpacas (many of which were located in TB-endemic areas). An ex-gratia scheme was introduced for camelids (i.e. alpacas, llamas, guanacos and vicunas) in 2008, which paid a flat rate of £750 per animal: legislation enacted in 2014 made this a statutory amount. Whilst some compensation was available to keepers of farmed deer there was not a well-defined set of TB compensation arrangements to cover all of the farmed non-bovine species (i.e. pigs, sheep, goats, captive deer and South American camelids).

Following consultation with the industry, it was decided that compensation would be paid according to fixed table valuations graded by species and category of species. This is in line with the Scottish and Welsh approach to non-bovine compensation. The new compensation categories raised the compensation farmers would receive for almost every category of animal.

Part of the focus on forming a proportionate and transparent compensation regime in England was to bring all GB administrations into line.

2. What evidence has informed the PIR? (Maximum 5 lines)

As part of the PIR process we invited stakeholder groups' views on whether our TB compensation rates reasonably reflected market prices.

We also contacted the GB Devolved Administrations to ascertain whether they had reviewed/changed the rates payable in their jurisdictions.

We reviewed prices in the 2022 edition of the John Nix Pocketbook (widely used in industry to assess livestock values)

Since the Order was enacted just over £1.6m has been paid to farmers and owners in compensation:

Calendar year

2018	£139,200.00 (APHA)
2019	£340,720.00
2020	£336,550.80
2021	£236,950.00
2022	£453,640.00
2023	£118,290.00 (until 31 st July inclusive)

Total £1,655,350.80

The majority of this compensation was paid to camelid owners and deer owners (just under £1m and £550k respectively) (data courtesy of APHA)

3. To what extent have the policy objectives been achieved? (Maximum 5 lines)

The intention was to replace a confusing and disparate system of compensation with specific rates of compensation for all non-bovine species, including changes to the previous rates of compensation for deer and camelids. In addition to simplifying the compensation scheme these changes were intended to result in higher compensation for affected livestock keepers thereby providing a stronger incentive for owners to report suspicion of disease at an earlier stage thus reducing the risk of disease spread.

We received only one response from stakeholders: the British Llama Society pointed out that prices for different types of llamas will vary. They suggested that the selling price for a good quality female is about £2,000 (plus VAT) and slightly less - about £1,800 (plus VAT) - for a male. Older llamas go for less while a well-trained trekking llama would sell for over £3,000. We did not believe that this single response alone justified changing the rates in the Order.

Moreover, other GB administrations have chosen not to change their compensation rates (which are identical to those in England). And our rates are consistent with prices published in the John Nix pocketbook (which is widely used by valuers). The Department has not received complaints about the compensation rates. We believe the policy objectives have been fully achieved.

Sign-off for Post Implementation Review: Head of Analysis (APHW Directorate) and Minister

I have read the PIR and I am satisfied that it represents a fair and proportionate assessment of the impact of the measure.

Signed: Joe Mathews, APHW Directorate Evidence and Analysis, Defra
Date: 8th August 2023

Signed: Rt. Hon. Mark Spencer MP, Minister of State for Food, Farming and Fisheries



Date: 20/03/2024

4. What were the original assumptions?(Maximum 5 lines)

We expected the changes in compensation arrangements would be welcomed by impacted keepers – the approach is more consistent and the compensation values are equal to or higher than the compensation rates paid previously.

For the purpose of quantifying the benefits to camelid farmers we assumed, based on veterinary advice, that 30% of compensated camelids would be breeding stock.

5. Were there any unintended consequences? (Maximum 5 lines)

We are not aware – and have not been made aware - of any unintended consequences.

6. Has the evidence identified any opportunities for reducing the burden on business? (Maximum 5 lines)

No. This legislation was designed to compensate farmers for losses sustained due to compulsory slaughter of their animals for TB control purposes by Defra. The new compensation approach increased the compensation paid for almost every category of animal. The increase in compensation payments was a transfer from government to farmers.

7. How does the UK approach compare with the implementation of similar measures internationally, including how EU member states implemented EU requirements that are comparable or now form part of retained EU law, or how other countries have implemented international agreements? (Maximum 5 lines)

N/A - this is a domestic measure (England only). We are not aware of a similar regime within the EU or elsewhere.

We are the Department for Environment, Food and Rural Affairs. We're responsible for improving and protecting the environment, growing the green economy and supporting our world-class food, farming and fishing industries.

We work closely with our 33 agencies and arm's length bodies on our ambition to make our air purer, our water cleaner, our land greener and our food more sustainable. Our mission is to restore and enhance the environment for the next generation, and to leave the environment in a better state than we found it.



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